[Shri M. M. Jacob]

sion I rise to announce that the Government Business in this House during the week commencing Monday, the 4th May, 1987, will consist of:—

1. Consideration and return of the Appropriation (No. 3) Bill, 1987 as passed by Lok Sabha.

2. Further consideration and passing of the payment of Gratuity (Amendment) Bill, 1987.

3. Consideration and passing of:

(a) The Merchant Shipping (Amendment) Bill, 1987, as passed by Lok Sabha.

(b) The Factories (Amendment) Bill, 1987 as passed by Lok Sabha.

(c) The Parsi Marriage and Divorce (Amendment) Bill, 1987.

4. Consideration and return of the Finance Bill, 1987, as passed by Lok Sabha.

Discussion on the Working of the Ministry of Defence—contd.

SHRI JAGESH DESAI (Maharashtra): Madam Deputy Chairman, at the outset I shall fail in my duty if I do not salute the brave men and officers of all the three wings of our Defence forces. At the same time I would also compliment the scientists and other workers who are working in the Research and Development Department for Ordnance factories and in the public sector undertakings, under the Ministry of Defence for the good work they have done in the year 1985-86. Madam, I am very much pained when I saw in this House in the last ten days, when our country is threatened, when the integrity and unity of our country is threatened, allegations being made which have no foundation, which are not based on facts. Our Prime Minister has two assets: (1) a clean image—he wants to wipe out corruption from different spheres of activity; (2) he wants to wipe out the tears of the poor people by implementing programmes which will benefit poorer sections of this country. Our integrity and unity is challenged. Pakistan is given massive aid by USA and other countries. Never in the history of Pakistan were arms given to it, was aid given to it, at the rate at which it is being done now. Pakistan is bent upon taking revenge for all the past three wars when Pakistan was humiliated by this country. USA is interested in weakening this country for the reason that this country wants to stand on its own legs. In regard to our foreign policy, our Defence policy, this country has decided it will do whatever it feels correct, in the interests of the world, in the interests of this country. That is the reason why they do not like a strong India and that is why they are encouraging Pakistan. I would go to this extent and say, I feel very strongly, that Pakistan is interested in humiliating our country, America and other countries do not want that India should be strong, this war is to be waged against India and Pakistan is going to be a proxy of America. I strongly feel it that way. Weapons which are being given to Pakistan by America can be used only against India and not against Afghanistan. Previously they were giving arms in the name of fighting China. Now China-Pakistan and America have become one axis. The late Shri V. K. Krishna Menon used to say no one has still invented a gun which can be fired only in one direction. A gun can be fired in any direction. If America had given such guns which could have been fired against only Afghanistan, I could have understood. But no such gun is invented in the world so far. The late Shri Krishna Menon also said that there are no permanent friends or no permanent enemies; only our national interests are permanent. At present we have to see on those lines. That is why I request my friends on the Opposition not to fall a prey to the machinations of America and other countries. If you want to tarnish the image of

our Prime Minister, you are only tarnishing the image of the country and you are only weakening our country and the other countries are only seizing this opportunity so that India is weakened. That is why I urge upon at least my leftist friends to understand this that by making such allegations against our Prime Minister which are unfounded, you can create this impression only for some time. That is why, Madam, I would like to tell them that for some time only, about some persons, you will be able to create that kind of an impression. But the country as a whole knows that our Prime Minister is wedded to eliminating corruption. Give us some concrete evidence and our Prime Minister has assured in this House that whoever it may be, he will take the strongest action against him. That should satisfy you. Please, for God's sake, when our unity is threatened, do not play into the hands of those enemies. That is what I want to tell our friends, at least our leftist friends. They should realise why Mr. Krishna Menon was ousted. I think they have realised it now. It was those lobbies, the American lobbies, and the reactionary lobbies at that time which were responsible for his ouster. Mr. Krishna Menon said that defence production should be done only in the Defence sector. That was why many of the industrialists thought that they would not be able to get the orders of the Government and hence they started that campaign. Let us understand this. Madam, I would request the honourable Members to ponder over why we had to go in for Shaktiman trucks in the Defence sector at that time, that is, in the year 1962. Please see the files. That is why, Madam, our Government has decided that we should have self-reliance and we should have indigenisation in the Defence sector. The allocation which was only Rs. 1,200 crores has now been increased to Rs. 1,800 crores and for R&D, the allocation was Rs. 421 crores has now been raised to Rs. 650 crores. That is why this Government has decided that whatever is possible to be done in the Defence sector should be done there only and that is why there are many Ordnance Factories. I can assure the House, Madam—I have gone through the Report of the Ministry and I am convinced—that during the last one year, our Ordnance Factories and the Defence public sector units have done excellent work. I would like to give some picture of the performance of our Ordnance Factories and our Defence public sector units.

Madam, in the year 1980-81, the total production in the Ordnance Factories was Rs. 787 crores and in 1985-86, it went up to Rs. 1,365 crores. In 1980-81, the capital invested was Rs. 422 crores and, in 1985-86, it went up to Rs. 573 crores. But production has gone up by 74 per cent as compared to 1980-81 while the capital invested went up only by 36 per cent. That means that these Ordnance Factories are working most efficiently. In 1980-81, the manpower was 1,84,000 and in 1985-86, it went up only to 1,87,000, that is, only 3,000 more workers were added which means the increase is only 1-1|2 per cent whereas the production went up by 74 per cent. That is why I said earlier that I must compliment the Ordnance Factories for their excellent work. As regards production per crore of investment in 1980-81, it was Rs. 1.86 crores and, in 1985-86, it went up to Rs. 2.40 crores per one crore rupees of investment. Then, Madam, the average production per worker in 1981-82 was Rs. 38,552 while, in 1985-86, it went up to Rs. 76,600 per worker. This is the efficiency and it is the same thing with regard to the Defence public sector units. I am saying all theses because I feel strongly that we should give greater amounts, make greater allocations, to the Defence sector industries, units under the Ministry of Defence like one Ordnance Factories, because they are doing excellent work.

[Shri Jagesh Desai]

Madam, as regards the various industries under the Department of Defence, HAL, with a capital of Rs. 72 crores in 1985-86 had a profit of Rs. 51.45 crores. BEL's capital was Rs. 54 crores; its profit was Rs. 25.45 crores. Like that, Madam, out of 8 industries 5 are making huge profits, good profits, and this is because it is done very efficiently. That is why, Madam, when we talk of self-reliance, and that in the defence sector, as far as possible, I would agree with the hon. Minister of State for Defence that we cannot be self-sufficient in all respects. But our thrust is that we want to produce in the defence sector. And that is a wise policy. Otherwise what happened to Shaktiman, the truck, in 1961-62, the same thing will happen, because private industries may ask for huge profits. That is why we must produce in the defence sector that which can be produced in the defence sector.

Secondly, Pakistan has been given such massive aid. I do not want to have a war psychology at all. We have got so many public sector industries, and many of them have the capacity to immediately switch over to defence production. I have visited some factories and discussed with some officials. Suppose there is need at some moment, we can immediately switch over. I will give a small example. In my home town, Dahod, in Gujarat, there is the loco workshop. During the Second World War, that factory was converted into an ordnance factory. They were able to produce armaments and ammunition. That is why, I request the hon. Minister that that should be done. You might have done it. I am sure about that. But wherever possible, that infrastructure has to be created in all our public sector undertakings. This can help the defence sector. It must be in the mind of the hon. Minister and I am sure he must be going in that direction.

Now, I will talk about ex-Servicemen. There are 4 million ex-Servicemen in this country. Madam, what have we done for them? I was surprised when I saw the figures. Even the reserved quota for ex-Servicemen in our public sector undertakings has not been completed. In some cases we have been able to do only 30 per cent. So I would like that wherever quotas have been fixed in the public sector, hundred per cent quota you fill. We would like him to take up this matter with the public sector industries and see that the ex-Servicemen quota is completely filled. I was surprised, Madam, that even in the case of industries under the Defence Department, in the public sector, out of one lakh and odd, the total employment, only 8,000 ex-Servicemen are employed. I would like to request the hon. Minister to see that as far as industries under the Defence Department are concerned, wherever available, ex-Servicemen must be given priority and others should be taken afterwards. Similarly, in the case of ordnance factories I am sure the hon. Minister will be looking into this. (*Time bell rings*).

As regards other employment opportunities, how many gas agencies have you given last year? Only 13. Four million ex-Servicemen are there. So here we have to make a big thrust, because ex-Servicemen must be provided with whatever jobs we can offer so that they feel that the motion for which they made sacrifice, and by God's grace they are alive, is taking care of them. Similarly, take your Group Insurance Policy. I am happy that from 1986-87 the cover has been increased from 1 lakh 60 thousand to 2 lakhs for the officers and from 70,000 to 75,000 for men. I will request the

hon. Minister that the premium for all those working in the Defence sector should be free and the Government must pay the premium. Those who sacrifice their lives for the security and unity of this country should be looked after well. I hope that the Government will see to it that the insurance premium on this group policy is paid by the Government and not by the Jawans or the Officers. (*Time bell rings*).

Madam, there are several other points. I would like to say one thing. Pakistan is being given weapons not for defence. Pakistan has been given weapons to wage war. That is why, all of us have to be alert. We have to see that we rise as one man. Let us forget our differences. It is the occasion when we must support our leadership and our Prime Minister. Under the leadership of our Prime Minister, let us forget our differences. Let us be prepared as one man for any eventuality which may come in the near future. With these words, I compliment the Ministry of Defence for the good work done in the year 1985-86.

THE DEPUTY CHAIRMAN: The Minister of Defence will be called upon to give his reply at 1.30 P.M. Therefore, I would request the hon. Members to be very brief. Now Mr. Balaram.

SHRI N. E. BALARAM (Kerala): Madam Deputy Chairman, I have some reservations about some of the policies being pursued by the Defence Ministry. I will come to that point later. In the very beginning, I would like to say that on the question of strengthening the defence of our country, I don't think there are any two opinions in this House. We know that the threat to the country is increasing everyday. We know that the threat to the security of our country is increasing. The threat to the independence of our country is increasing. There are no two opinions about that. We have to take into consideration especially the recent developments and the massive help given to Pakistan by the U.S.A. These are the implications. These are the disturbing features. The implications are understandable. There is no doubt about it. When Pakistan is armed in this way, definitely the intention cannot be against Afghanistan or against any other country. The intention is very clear. I think there is no difference of opinion on that score either on this side or on that side. We are very much worried about that development. So, any steps taken by the Government to strengthen the defence of our country will be welcome from either side. We have no objection about that. It is not on such issues that we have got any difference of opinion. Now, that part of the thing is very well explained.

Now, I want to state my differences with the defence policy of the Government. During the debates on the purchase of arms in the last two days, certain points have already emerged which we cannot overlook. Firstly, there is the massive purchase of armaments from Western countries in a big way. I never thought that our Defence Department has gone in such a big way to purchase armaments from the Western countries. There was some misunderstanding on my part. Now, what I understand is that there is this change in our policy. Now, we have decided to go in a big way for all sorts of items to the multi-national corporations that are operating in the Western countries and that too in a big way.

[The Vice-Chairman, (Shri H. Hanumanthappa), in the chair]

1 P.M.

For instance, we are purchasing submarines from West Germany, we are purchasing armaments from France, Britain, etc. Now we are told that we are purchasing even guns from Sweden. That means, we are going in a big way for armament shopping to the Western countries, a total change in our policy. Instead of going to progressive countries, now we are going in a big way to the Western countries. I think, there is some danger in it because whatever you purchase from the multinational corporations, from the Western countries, that will not be a secret. It will be known to all the other countries. It will be known to the countries which we do not want to know. There is no doubt about it. If we are purchasing guns from the Western countries, if we are purchasing armaments from the Western countries, especially from NATO countries do you think that it will remain a secret and it will be safe for the defence of our country? That will be known to the countries which we do not want to know. The secrets of our defence will be known to countries which we do not want to know. That is the danger of such a measure. So we should be very careful in going and purchasing the most sophisticated weapons from such countries. I can give you an example. It is said that in the year 1976-77, our purchase from the Western countries was to the tune of Rs. 2,600 crores. Now, in the year 1986-87, it has increased to the level of Rs. 12,500 crores.

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE RESEARCH AND DEVELOPMENT IN THE MINISTRY OF DEFENCE (SHRI ARUN SINGH): That is the entire Defence Budget.

SHRI N. E. BALARAM: That is what I am saying. The total amount has increased for shopping from the Western countries. That is what I am saying. (*Interruption*). From Rs. 2,600 crores in 1976-77, it has gone up to Rs. 12,500 crores in 1986-87. The amount is increasing. The purchases in the Western countries are increasing. That is what I am saying. (*Interruptions*). You may have your view. I see some danger in it. You talk of tarnishing the name of your Prime Minister. I am concerned about my country and its defence. Don't you think that whatever you purchase from the Western countries will not be known to Pakistan the next day? How are you going to defend your country? That is my point. My point is that whatever sophisticated armaments you purchase from the NATO countries, that will immediately be known to the other countries which we do not want to know. I do not want to mention the names of the countries. I do not want to say that China is our enemy, I do not want to say that Pakistan is our enemy. I do not want to speak in that language. I don't think it is proper to speak like that. We must be aware of our security environment. That I agree. But considering China as our enemy, Pakistan as our enemy, it it politics, I ask you. I do not want to join the issue like that. What I am afraid is that if we go in for more and more purchases from the Western countries, that too from the multinational corporations, that too from the multinational corporations operating in the NATO countries, that is a danger to the defence of our country. That is my contention. There is a policy change in this. Whenever we speak about the foreign policy of a country, it has got closer relations with the defence policy of the

same country. There is a contradiction appearing to me. Our foreign policy is a non-alignment foreign policy. It is quite acceptable to our country. But our defence policy is going in a different direction, especially on the purchase of armaments.

SHRI ARUN SINGH: Will you allow me for a moment? Sir, what we had explained in the House—I cannot remember on which particular debate; it is one of the last two debates—I am now elaborating on the question of policy because the hon. Member has made a statement that there is a policy change. Since he has made the statement, I would just like to clarify that. The policy on purchases is that the first option is indigenous. If no indigenous source available, then non-convertible rupee sources. If neither indigenous nor non-convertible rupee sources available, then free foreign exchange. That is the policy, that was the policy and that continues to be the policy.

SHRI N. E. BALARAM: All right, I accept it, but I have got my own doubts. After my speech the Hon. Minister can reply. Sir, I will read out this portion since he has spoken like that. In the speech made in the Lok Sabha the Hon. Minister for Defence has stated like this an I am quoting: "So far as the total value of the contract is concerned, it was Rs. 1,427 crores and this covers 410 gun systems and it includes the guns, the towing vehicles and ammunition vehicles, ammunitions of six types, fire control instruments, five years of spares and technical literature." These are the things which we have purchased from the Bofors Company. This is the statement issued by the Minister in the Lok Sabha. This is the printed thing. This is our information that we got from the Lok Sabha speech of the Defence Minister.

There is one agreement worth Rs. 1,500 crores. What sort of items have you purchased? You have purchased vehicles. You have purchased towing vehicles. You are forced to purchase vehicles. I do not know why you have signed such an agreement with the Bofors Company. What compulsions were there. I can understand your going in for guns. But you have gone in for purchase of ammunition with that particular company. You have purchased fire control instruments, five years of spares and technical literature from that particular company. What does it mean? It means that you are depending more and more for so many items on western countries, on multi-nationals in western countries, not only from Government to Government level, but from private companies and multi-national corporations which are trying to destroy your country. You must understand that. You are speaking against imperialism and all that and aligning with leftist forces. But what are you doing? you are shopping armaments from western multi-national corporations. That is why I say there is a change in the policy. I would have agreed to your doing so if there were very urgent and important things which were not available with the progressive countries and you had to go to western countries on a Government to Government level basis. I would have understood it, I am not completely ruling it out. But now there is a tilt of policy. There is a change of policy and that is why this sort of complaints, allegations are coming again and again against this Govenment. That is one point I have to make.

Another policy change you have made, which I am totally opposed to is that now you are allowing private monopoly sector in this country to

[Shri N.E. Balaram]

enter the defence industy. A few minutes back my friend was speaking that there are a number of public sector industries in India which can switch over for the production of armaments in our own country. You have got such a strong foundation of public sector inside the country. If that is the position why do you allow the private monopoly houses, which have got direct connections with monopoly houses in the USA, to enter our defence sphere. I do not know what is your policy. I do not know what is your anti-imperialist policy. I do not know what is your anti-monopolist policy. You say so many pro-leftist things but you go in the rightist direction. Is it not a fact that you are allowing the monopoly houses in India to enter into the production of armaments etc. in our own country.'

SHRI ARUN SINGH: May I speak, that is completely untrue?

SHRI N. E. BALARAM: I do not know why you are saying it.

SHRI ARUN SINGH: There is no armament production.

SHRI N. E. BALARAM: Now you say there is no armament production. You have allowed private sector to enter the defence area. That I know. Can you deny it?

SHRI ARUN SINGH: Why should I deny it?

SHRI N. E. BALARAM: That is what I am saying. You have allowed private monopoly sector to enter into defence area, that I know. Today you are saying they are not producing armaments. Tomorrow you will say they are producing armaments also.

SHRI ARUN SINGH: The Industrial Policy Resolution, 1956, will need to be amended by Parliament.

SHRI N. E. BALARAM: That is what I am saying. Year by year you are changing your policy. You are inviting the private sector to go into the defence area instead of asking the public sector to do it. You cannot deny it. The private sector in India, the monopoly private sector in India, has direct contacts with the multinational corporations in the U.S.A. I can give you innumerable examples. What is the guarantee for the security of the country? You talk about security. We are all interested in the security of the country. But if you allow the private sector to enter this area, I can tell you, you are endangering the security of our country, directly, consciously or unconsciously. Therefore, please beware of this. This is my second point.

My third point is in regard to the low priority given to the research efforts in the defence sector. I listened to the speech of the hon. Minister yesterday. I am very glad that he has done his home-work. He has really done some good work. I convey my congratulations to him on this. In spite of all this, I do not accept his position that we have done all that should have been done by us in relation to R&D. No. I do not accept this contention.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Please conclude now.

SHRI N. E. BALARAM: I am only mentioning the two areas where I differ with the policies of the Government. In the case of the other areas, I entirely agree. But I disagree with the policy of the Government in the case of armaments. For example, why should we go in for the guns from Bofors? Why should we depend on foreign countries for production of guns, for production of ammunition and vehicles in the year 1987? The argument is that for the last many years, work has been going on in this field. I do not accept that argument. That is not argument at all. This is

passing the buck. My point is, even now, where do we stand? Can we meet the challenges of the nation with our present R&D position? This is the question we are posing. We cannot. We cannot meet the challenges of the nation. We cannot meet the challenges of the nation with our present R&D equipment. They should be improved. If you do not have a perspective in this regard, if you do not have a proper policy towards R&D, I do not think we can save our country in crucial times. We will be in difficulties. Therefore, we should pay attention, special attention to this area. I am very glad that he is looking ino it. Some improvements are there. Some significant advances have been made. I do not quarrel with those things. There has been significant success in the case of production of armaments. In spite of all this, the allocation made is only 25 per cent. I do agree that it is not a question of money alone. It is a question of cadres. It is a question of training of our scientists, technicians etc. We are far far behind the needs. Whom you can depend upon for the future? We have to build our own cadres. We have to develop indigenous efforts. We have to develop indigenous cadres. Unless we do this, unless we develop our own R&D for the future, I do not think we will be able to cope with the situation. As I said, these are the two area wherein I am not in agreement with the Government, with the policies pursued by the Government. On the other areas, I have nothing to say.

In the end, through you, I want to convey my congratulations and revolutionary greetings to the defence personnel. Thank You.

SHRI SANTOSH KUMAR SAHU (Orissa): Mr. Vice-Chairman, Sir. defence expenditure is an essential item in any Budget. The freedom of the country must be defended at any cost. This is the basic parameter we should keep in mind whenever we discuss the defence expenditure. Having said this, I would like to, at the very outset, Pay tributes to our defence personnel who have displayed so much bravery and excellence in the past. I hope, they will continue to do so in the future also.

Sir, we know that any threat on the borders means an escalation in the defence expenditure. When we analyse the situation, we find that after the 1962 Chinese aggression in the subsequent year, there was an increase in the defence expenditure to the extent of 70 per cent. When we see the geo-political situation in the country, we find two bostile neighbours in Pakistan and China who are indulging in military tactics to gain political and territorial advantages and twist India to a position of restabilisation. They are preparing themselves with nuclear armaments, conventional armaments and they have been supported by a super power which is supplying them the sophisticated armaments to destablise the military position in the subcontinent. Added to that, we have been faced with the problem of terrorists who are being trained abroad. They want to destabilise the economic and political scene of this country. For this, it is necessary that we modernise our defence, be self-sufficient in our defence requirement. For this new preparedness of the whole defence of our country is required.

Coming to the defence department, we have been seeing that in some way or other, for a long time in the session, we have been discussing about the defence department, whether it is matter relating to purchase or it is a matter relating to some other thing. We have been scintillating, why should adopt secrecy in the defence department, why should we not discuss it publicly? In this connection, the State Minister for Defence has very rightly discussed about the approach of the Government of India in the DRDO to make research vehemen-

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tly in this country, so that we can achieve self-sufficiency in some sectors of defence production. What are the main problems for defence preparedness and modernisation of our defence forces? We have to think about that, we have to prepare a totally efficient army. We have to improve both men and machines together. We have seen in the past how international political scene has become so gloomy. The third-world developing countries have also become the cockpit of an international tension. For that, we have to take stock of our political and economic situation vis-a-vis manipulation of super powers to acquire control over the weaker nations. Therefore, we cannot ignore the future warfare tactics. We have to prepare for our defence in the near future.

Sir, Mr. Balaram has very rightly spoken about the DRDO. The Minister has said eleborately that we have wide-range scope in DRDO and we have done some marvalous things. We are definetely grateful to the scientists who have contributed a lot in different fields. Still, we have to be self-sufficient in the fields of armament, automobile or in certain other sectors. We need not depend on imports in future, say, within a period of five to ten years.

The other point is about financial outlay. Though the financial outlay has increased, there has been the criticism that we have purchased in a decade's time armaments worth crores and crores of rupees. This is the study of the U.S. Scientists Society. Fifteen to twenty per cent of this is spent on scientific research and improvement. This means, we are contributing roughly about Rs. 15 crores on research and development, as reported in the press. Sir, in the past this aspect of research and development was neglected, but this year the hon. Minister has presented a better view of this and I congratulate him for this. There is world-over criticism about research and development not only in the field of defence but in other areas also. And the reason for this is that the scientists are not getting proper scope and facilities. That is why there has been a great problem of brain-drain in our country. I wish the hon. Defence Minister took notice of this that the brilliant students, who are recruited for research in specific areas are given proper scope and facilities. This will help a lot in our future defence production. Then coming to the other aspects, I would emphasise one thing. This year though there is increased allocation for research in the DRDO, not much importance has been attached, in comparison to last year's budget, to defence production. Though in some fields, the ordance factories have done well, in some other they have not been put to optimal use. We have to look into this aspect so that we get a better cost-effective economy in this highly expensive budget.

Looking to the challenges we face today, our defence forces must remain prepared for any eventuality. We have the lessons of 1962 Chinese aggression on the northern border. In the cold Himalayas as the Minister of State said, we have to prepare for high altitude warfare. On the western front, in 1965 we had Operation Gibraltar and Operation Grand Slam. We know the problems today. Though India's foreign policy is one of non-alignment and we have achieved success in it, though we want peaceful coexistence with other countries, don't we know that in 1986 Pakistan amassed massive troops on our borders and in December 1986 there was a discussion here in which the Prime Minister declared that there would be a Secretary-level discussion? There was this discussion at which it was decided that the troops should withdraw. As a result of it the troops were withdrawn in a phased manner. That was the agreement reached. The prestige of India can be maintained only if we look into history that in spite of our best efforts it is the dominant neighbours with

ulterior motives who want to pressurise India by military tactics to make some territorial gain or to seek revenge. So it is necessary to be prepared for future.

Now coming to balance of power, Mr. Suresh Kalmadi has rightly said that the defence supplies of sophisticated armaments which the USA has given to Pakistan—up till now they have been given aid to the tune of Rs. 46,000 crores in the shape of sophisticated arms and ammunition—will not be used against Afghanistan. Mr. Bhandare also referred to the latest appeal by the Prime Minister of Pakistan for supply of AWACS and Hawkeye aircraft. Now Hawkeye is a naval aircraft, meant for seas, which can be prepared in America in two years for use over land and mountainous terrains. They have asked these for what? Not for Afghanistan. The purpose is to have military advantage over India. That is very clear. History of India bears this out. They have attacked us thrice. They have been rebuffed. And now they are preparing for the future with an aggressive motive.

Now I will touch upon aonther importan point—about the geographical situation. One of the great Naval experts has said that whoever controls the Indian Ocean will dominate the seven seas. In the 21st century the destiny of the world will be decided by its waters. It is a very important observation by the Naval expert. We know that nearly half a decade back there was peace and tranquillity in the area. The littoral states have been crying for declaring it as a zone of peace. The UNO also made a resolution to that effect. India has been trying to make it a zone of peace. After the establishment of Diego Garcia naval base by super power it is necessary that India must also well develop its naval forces so that in future we can also combat the attempts at destabilisation by the superior Super Powers in the littoral states by creating tension. This is one important factor which we have to take note of in the future.

In conclusion, I want to say that it is important in Defence that we must have a perspective plan for five years so that an annual framework outlook could be taken and we know what will be the forecast every year in men, materials and financial outlays. Secondly, an information and analysis system is very vital for modern warfare. Because, modern warfare comprises of the latest communication systems and most lethal weapons systems which may be employed in future warfare. Science and technology in this respect is developing very, very fast.

I support Mr. Bhandare's point that when the USA is supplying Pakistan with so much modern weaponry when Pakistan is on the brink of development of nuclear bombs or nuclear warfare, with China already established there—and they are friends—we should not be shy of continuing and go on with our nuclear research. There is no meaning in it. There cannot be two sets of principles for two different neighbours. This is our right and so we must continue with our nuclear research and, whatever may be the cost, with serious vigour we must pursue our research in this field for keeping the prestige and morale of the country as high as possible.

Lastly I will say only one thing and then conclude. In the battlefields of the future, the enemy forces will be located and fought almost instantly through the use of data banks, computers and intelligence evaluation by analysis and automated fire control. Similarly, anything in the battlefield can be destroyed by locating it by instant communication and application of lethal weapons. So, I would like the Defence Minister to tell us about our preparedness to combet this type of systems and explain it to the House so that the House can

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go with confidence. Our Defence forces played a vital role in the past and ours is the fourth largest Defence force in the world. They will keep our tricolour flying high at all times, even in times of crisis and India is proud of them.

Thank you, Sir.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Mr. Nagen Saikia. Last speaker.

SHRI NAGEN SAIKIA (Assam): Mr. Vice-Chairman, Sir, I thank you for allowing me to speak on the functioning of the Defence Ministry but, at the same time, I would crave your indulgence to let me complete my speach.

Sir, on the subject of Functioning of the Defence Ministry, almost all the point on merits and demerits have been covered by my previous speakers and I, being the last speaker, have only little to speak about.

At the very outset I congratulate our army people for their bravery, patriotism, courage and the spirit of self-sacrifice. We are proud of them. They are the real defenders of the sovereignty and integrity of our country. Many of them have laid down their lives for their motherland at the time of the Sino-Indian conflict, at the time of the Pakistani aggression and at the time of liberation of Bangladesh also. But, as General Aurora has pointed out, nobody takes care of them after their retirement from services at the age of 30 or 35. It is certainly a shame to the nation that those who are even awarded Vir Chakra or Param Vir Chakra for their remarkable services, have to sell away their medals for money in order to feed themselves and their families. It is also equally regrettable that the holders of Param Vir Chakra get a pension of only Rs. 150 per month. The Ministry should enhance it at least by five times, if possible.

Sir, Defence, as a subject, is the most important subject. Sovereignty depends on eternal vigilance and defence is meant for that purpose—to keep the security environment in the sky, on the earth and water of the country free of danger. Therefore, the most modern weapons our forces have to be equipped with have to be either produced or acquired to suit the situation. Therefore, when people come to know that there is something wrong either in the objects procured or in the deals for procuring, they become very much concerned about the same. Any true citizen of a country would be perturbed in such situations. So, the Ministry should make it a point to clear the sky when it is clouded with suspicions—whether it is in the case of the Bofors deal or in the case of the submarines deal.

Sir, this year the Defence budget covers 20 per cent of the total budget. Keeping in view the importance of it, nobody has said much against such an increase. But still, many a Member tried to caution the Government during the debate on the budget by indicating the possibility of misuse of money. But the Prime Minster was not ready to listen to such mild criticism also. He tried to label the critic as anti-national. Whether he is a Prime Minister or any other Member, that does not matter; but it should be kept in mind that the country belongs to every citizen and everybody has a right to voice for the good of the country. Even such an unfortunate comment also was tolerated only because of the fact that we have sensitive international borders on our South and West. The people want that our borders should be kept well protected and free of danger.

The fall of Bomdila and the intrusion of the Chinese into the foothills near Tezpur in 1962, are still living green in the memory of the people of Assam and Arunachal. Again a new threat is posed by China by making a helipad in the Indian soil in Arunachal. But this has not been taken so seriously as it should have been. It

is our sad experience in 1962 that in the wake of the Chinese aggression most of the people from other States, residing in Assam took no time to flee away from the state. But for the Assamese and the Arunachalis there was no alternative place to go away. If the Government remains content by calculating the incapacity of the Chinese troops, I am afraid, you would have to offer some slices of the country to China on the dinner dish. Therefore, my suggestion is that the Government should not take its enemy to be weaker than it; rather it should be more careful to meet the situation.

On the West, Pakistan is there with arms help from the United States to attack India whenever opportune moments come. No doubt, our stand against nuclear weapons has its own merit for global peace. But at the same time, to combat our enemies, our defence must be kept equipped with equal strength. The country wants assurances from the Government in this regard also.

We are speaking of the illegal migrants and intruders from Pakistan into Punjab. But what about the intruders from Bangladesh into Assam? The infiltration is still going on unprevented. Much has been said about the implementation of the Assam Accord along with the clause to seal the border. Before making more false assurances, I demand that the Government should send one parliamentary delegation to visit the border. we feel it in our heart of hearts that when you take of India you think only up to Bengal, not beyond it. But to save India, you must save Assam also.

To another point, I want to draw the attention of the hon. Minister and that is the malpractices in supplying foodstuff to the troops. I wrote a letter to the Minister giving an example of one Major S. K. Sharma who in May, 1985, took over as second-in-command of the Field Supply Depot in Panitola in Assam and noticed that the rations supplied were substandard and posed a health hazard to the troops. He ordered quality checks for the rations supplied. The contractor tried to win him by giving monthly payment, and to his surprise his superior, the Commonding Officer of F.S.D. advised him not to confront the contractor. However, being a man of integrity, Major Sharma stuck to this gun. But as a result, he has been made a subject of victimisation by his seniors. There are hundreds of such cases, and some clean people like major Sharma have been victimised for their cleanliness and integrity. I do not know whether the Minister is taking some actions in this regard. But my suggestion is that whatever little it seems to be, immediate actions should be taken to keep the morale of the army strong. If somebody is to face punishment for his good work, then, how could you talk of cleanliness in administration?

I only wish that Defence would go stronger and stronger in all aspects of it.

Thank you.

THE MINISTER OF DEFENCE (SHRI K. C. PANT): Sir, I am grateful to the hon. Members who have participated in this debate. It has given us an opportunity to get a good idea of the subjects which interest the House. Many valuable suggestions have been made, and careful note has been taken of those suggestions. Many points have been raised which merit consideration and, perhaps, even a reply. But, I think, we all know, Sir, the limitation of time and it may not be possibe to touch on all those points in my reply.

The hon. Member who has raised the discussion, surprisingly is not here. Shri Suresh Kalmadi gave a very strong support to the Budget, and I would like to thank him for that.

[Shri K. C. Pant]

Many hon. Members referred to the galant manner in which the armed forces are serving the country. One hon. Member referred to them as a symbol of India's unity. It is true, Sir, that the armed forces are doing duty on distant borders, sametimes in very inhospitable conditions. They are at best 24 hours, all the day everyday of the year. All of us are secure because they are guarding the borders. They are giving aid to the civil authorities also whenever they are called upon to do so. One hon. Member also referred to the fact that they also serve at the time of the natural calamities. Therefore, it is but right that the House should take note of the services being rendered by the brave men of the armed forces and by others who are working in the Defence apparatus or defence establishments, production or otherwise.

So far as R&D aspect in Defence is concerned, it has attracted a lot of notice in the debate. I think it is a very important area in Defence and it has been extensively dealt with by my colleague, Shri Arun Singh, when he spoke. I really do not want to repeat anything that he has said.

. Shri Balaram wanted more priority and better allocation to be given for R&D. He may have seen that there has been a substantial increase in the allocation for R&D. It has gone up from Rs. 42.4 crores last year to Rs. 653 crores this year which is an increase of more than 50 per cent.

Gen. Aurora, one of the most knowledgeable Members of this House in matters of Defence, has made appreciative references to the good work that has been done in the R&D sector in the last two years. I think the House can very easily trust this gentleman in this matter. I would like to take note of his remarks. If he finds any gaps, I would always be ready to listen to his criticisms because I know it wil be well motivated and based on his life-time experience.

Somebody pointed out yesterday that a debate on the External Affairs Ministry has alrealy taken place only recently. Well, naturally there may be an overlapping between the External Affairs and Defence. Many hon. Members have referred to wider issues which really related to the External Affairs Ministry. I can only say that I endorse the views of those like Shri Bansal and others who have in a way delineated the framework within which the Defence policy has to be framed.

Since independence this country has followed the policy of non-alignment. Its policy is also directed to give support to peace at all levels with its neighbours and in all the regions in the would. It is a consistant policy of not seeking to acquire even a single inch of territory of any other country. We have no expansionist ambitions at all. We want settlement of all disputes through peaceful negotiations. These have been some of the cardinal principles on the basise of which our External Affairs has been guided and Defence policy also has been guided through this broad framework. But defence has its own responsibilities. We may want peace, but it takes two sides to want peace. And sometimes war can be thrust on a country without its wanting it. We had had that experience and I don't think we can deny that experience or be caught unawares. Preparedness is a price one must pay if one wants peace. Weakness is not the way to ensure peace. Therefore, Sir, we have to consider the responsibility of guarding our coasline which is 7,500 KMs and our land frontier which is, in fact, almost double of that.

Sir, over the last year the linkages between the United States, China and Pakistan with their anti-India overtones have become more pronounced and several hon. Members have referred to this aspect. Some have spoken of China. I would only like to say that our efforts to normalise relations with China are procee-

ding they have been going on. Our attitude is clear but they have not proceeded beyond the point. We hope that with the expressions of their desire to have friendly relations with us and the changes that have taken place recently in the domestic as well as foreign policies of China we move in the direction of normalising relations—that is what we would like. But we also take note of the fact that seven rounds of discussions have taken place on the border problem and border problem is one of the key areas in our bilateral relations. We hope that these negotiations will continue and will bear fruit. But we have to take note of the fact that so for they have not done so.

Some hon. Members have referred to Chinese protests with regard to grant of Statehood to Arunachal Pradesh and also intrusions by China in the Wangdung area. Now this has two implications. One is, wherever there is an intrusion, we have to take defence steps, we have to take defence measures; and second is, this becomes an unnecessary irritant in the bilaterial relationship between the two countries and one would think sometimes they are unavoidable irritants. That is all I would like to say.

Sir, with regard to Pakistan also our approach has been to normalise relations and many hon. Members have already made pointed reference to the recent developments which have, in fact, led to the deterioration of the security environment around this country and which are related to Pakistan acquiring sophisticated weapons. Here one has to take note of the basic fact that Pakistan is regarded as a frontline State in the strategic perceptions of the United States and this has led to the flow of arms, it has led to the aid package and it has led to the deliberate ignoring of the efforts being made by Pakistan to have military nuclear capabilities. Earlier the justification that was being used was Afghanistan. New in this 1.7 billion dollars package the justification that has been stated as it is required for the modernisation of Pakistani armed forces. There is a shift even in that. And this package is quite a formidable package and we cannot afford to ignore the threat that would be posed through the acquisition of these sophisticated weapons and equipment by Pakistan. This fact has come out very clearly in the course of this debate. Many hon. Members have also referred to the nuclear quest of Pakistan to which I have referred just now. It is a matter of concern to us. I have already referred to it earlier. We have to take adequate measures to ensure that we are not caught unawares or placed in a disadvantageous position. Then, Shri Kalmadi and other Members referred to the reported supply of AWACS aircraft by USA to Pakistan. Again the justification is that Pakistan should have AWACS to protect itself or defend itself from the alleged air intrusion from Afghanistan. It is known that the geographical terrain between Afghanistan and Pakistan is such that air surveillance can be carried out equally well by ground radars. On the other hand, we are also conscious that AWACS can be very effective along the border between India ond Pakistan. Our past experience has shown that Pakistan has not hesitated to use any weapons system against us which it acquired citing some reason or the other. Therefore, our concern is but natural and we are also naturally concerned about another disquieting news and that is the possibility of AWACS operating on our sub-continent on lease with foreign crew operating the aircraft.

SHRI KAPIL VERMA (Uttar Pradesh): USA has agreed in principle to supply AWACS on lease to Pakistan and those AWACS will be operated by American crew. And Pakistan President has said they will not be used against Afghanistan. All India Radio has announced it.

SHRI K. C. PANT: AWACS is not a simple surveillance aircraft. It is really a weapons system and it can target the aircraft effectively. So, in a way it is like a fire control system. I am sure Members do not expect me at this stage to cite various opinions that we are studying. But I would like to assure honourable Members that we shall not hesitate to take all steps that are necessary to meet this threat. I would not like to go into this aspect in detail. If a foreign crew is operating this aircraft, it is also a matter for Pakistani people to consider, what the implications are. And it was an American philospher, Santayan, who said, "The people who forget their past are condemned to relieve it." This I think should be addressed to both the United States and Pakistan.

Shri Virendra Verma, Shri Yadav and Shri Sahu, all of them referred to the Indian Ocean. Over the last decade, the great power military presence in the Indian Ocean has increased rapidly and I have some figures here. The average yearly presence of ships has increased from a figure of 12 warships in 1975 to an average of 100 warships and auxiliaries in 1987. There are various factors for this which one need not go into. There are also the other factors like the Iran-Iraq war, the situation in Iran and so on and many other factors which, over the years, have added to this presence in the Indian Ocean. But the fact is that whatever may be the reasons, whether because of lack of progress in the arms control discussions at the international level, whether because of the regional factors, whether because some powers are looking for surrogates, whether because of other factors relating to the Gulf War, whatever it is it is a matter of direct concern to us and we would like to see the escalation of militarization by non-littoral States to come down. The US-USSR talks for the limitation of the military presence in the Indian Ocean started in 1977 and they have remained suspended since 1978. It is against this background, keeing this scenario, in view that the Defence Budget for 1987-88 has been presented for the approval of the House or, at least, I would request the Members to consider it against this background. The Budget has proposed an outlay of Rs. 12,512 crores and I am very happy to see that all the Members who spoke have supported this outlay in the Budget and I have not heard even one Member criticising it. The debate as a whole has been very supportive of the defence effort. Therefore, I would like to thank all the friends in this House for this support. It will be a morale-booster for the armed forces and that is what, I think, the armed forces need from this House.

Sir, I am conscious of the fact that when the House approves of this outlay, it goes without saying that it expects the Government to exercise control over expenditure and to see that wasteful expenditure is curbed and all of us are.....

SHRIMATI RENUKA CHOWDHURY (Andhra Pradesh): Sorry for the interruption. Sir, I only want to ask for one clarification. May I ask the honourable Minister to tell us what the armed forces do with obsolete equipment since this is linked with expenditure? What are we doing with it? I just wanted to know about it. That is all.

THE VICE-CHAIRMAN: (SHRI H. HANUMANTHAPPA): That is all right. You have made your point Please sit down.

SHRI K. C. PANT: Sir, I will come to equipment and moderniza-

tion and these aspects a little later But the point that I am making here is that the House is naturally concerned although many Members, having taken note of the present security environment, did not underline this factor. Nevertheless I think that it is only legitimate that there is concern to see that the expenditure takes place in a manner which strengthens the defences of the country, in a manner in which they are meant to strengthen the defences of the country and that there is no laxity in the matter, and so far as ensuring the security of the country is concerned, there can be no scope for laxity. I would like to assure the House about that.

Then there was a reference to maintenance expenditure and expenditure on modernisation. It is an important question. But hon. Members may have noticed that certain changes have been made, structural changes, in the Defence budget this year, which will ensure that the outlay which is meant for modernisation is not diverted to maintenance. This is the crux of it, and this should adequately take care of that particular point.

So far as modernisation is concerned, more funds have been made available for it, and the maintenance expenditure has been sought to be kept under control.

Now, specifically I mentioned that increase of allocation covers modernisation as well as R&D which has a higher outlay as well as ordnance factories, and this is reflected in a greater impetus being given to indigenisation, to greater self-reliance. And, as the House knows, the recommendations of the Fourth Pay Commission were also improved upon, and that also is provided for in the increased outlays for this year.

Sir, I fully share the stress that was laid on modernisation by hon. Members. This year we have proposed for an allocation of Rs. 4500 crores against Rs. 2971 crores for modernisation. Now, I would not like to go into details. Some hon. Members, including Shri Kalmadi, have given some details about the modernisation of armed forces. But I can assure the House that, whether through indigenous effort, and preferably through indigenous effort but wherever necessary through acquisition from abroad, the process of modernisation is being undertaken across the board. And some of the areas I will mention in passing. For instance modernisation schemes have been taken up to increase the operational efficiency of the existing armoured fleet, induction of 155 mm. guns, induction of T-72 tanks, inventory combat vehicles, providing the Army with improved air defence capibility with improved and reliable communications. And defence comunications which are very important in the context of the battle-field scenario, are being introduced; and these are being indigenously manufactured. I would like to emphasise that. Similarly Navy: planning modernisation with advanced helicopters, submarine rescue facilities, support facilities on naval docks, etc. There are many other areas. Similarly, in the Air Force: induction of dedicated air defence aircraft, acquisition of EW capability, and so on. So, since going into the details would take a long time, I would simply like to refer to a few items which will give you an idea of the spectrum of activities that are going on in this field.

Sir, whereas equipment is important, Gen. Aurora made a very important point, and that it is the man

[Shri K. C. Pant]

behind the gun who counts, it is his determinaion, it is his morale that is extremely important. So the career prospects of ex-Servicemen assume very great importance. And we have taken various measures to improve the career prospects of the Armed Forces. Many of the hon. 2 P.M.
Members are aware of the fact that we have undertaken two cadre reviews as a result of which promotion prospects of officers and men have improved significantly. The pay and emolumen's recommended by the 4th Pay Commission have been considered and as I just mentioned, substantial improvements in those recommendattons have been made by the Government. You will have received the Annual Report and this gives details with regard to the improvement in emoluments. as well as the allowances, perquisites and so on. All the details are given.

There is an area which I know is of concern to many of us and rightly so and that is about married accommodation. I am glad that married accommodation for service personnel has also been augmented. Still more needs to be done. There is no denying that. Attention has been devoted to this aspect.

Shri Virendra Verma is not here. He referred to corruption and bogus recruitment in the Army. A number of corrective measures have been taken and I would have given some of them if not all had he been present in the House because he is the only one who raised this point. Since he is not here, I am passing on to the next one.

The next point is about training. After recruitment comes training and training has become one of the most important activities for chancing the proficiency, the efficiency, the striking power of the Army of the Armed Forces in general. We have to think of training requirements not only in the traditional sense that any disciplined force requires training. It is an integral part of the preparation of a disciplined force. But the training methods and objectives have to keep pace with the changing scenario of armament with the modernisation that you are doing, bringing in new technology, upgrading technology, eliminating obsolescence to which a lady Member referred. So, as we modernise, there is a concommitant obligation to see that those who have actually to use these weapons are also trained better. They should not merely be trained to use weapons, but they should be familiar with the weapons. They should feel at ease with the weapons. They should have a feel for the weapons. That is very necessary. So, their skill and their ability to use these weapons has to be upgraded along with the upgradation and modernisation of the weapons themselves. It is in this perspective that one has to think ahead and also think of the training programmes ahead of time.

For updating and modernising the training system, a Committee has been constituted under the Chairmanship of Vice Admiral J. G. Nadkarni Vice Chief Naval Staff. The Committee is to examine *inter alia* the entire content of the academic-professional training and lay down broad policy on training of the officer cadre of the Army, Navy and Air Force. The Committee is also to recommend measures to improve inter-

services integration both at executive and at conceptual levels.

With effect from June 1986, the Command and Control of all surface and sub-surface training in the Navy has been placed at the command of the Flag Officer Commanding-in-Chief, Southern Naval Command.

The Naval Aviation training is the responsibility of Flag Officer, Naval Aviation stationed at Goa.

With greater emphasis on modernisation in the Army, it has been decided to introduce simulators to provide improved level of training and to conserve on the usage of costly equipment so that the operational life of the equipment is enhanced without reducing the level of training. A few simulators have already been introduced in service. It is proposed to step up to pace of introduction of simulators in the Army. In order to meet urgent requirements of simulators. it is proposed to import some quantities from foreign sources. However, to meet long-term requirements. it is proposed to acquire simulation technology and set up indigenous production capacities.

Sir, Shri Kalmadi, Shri Aurora; Shri Bhandare; Shrimati Renuka Chowdhury, Shri Viren Verma and Shri Saikia refered to the welfare of ex-servicemen.

SHRI KAILASH PATI MISHRA (Bihar): Myself also.

SHRI K. C. PANT: I am going to mention Mishraji, specially when he raised a particular issue. I have not forgotten him at oll.

Sir, the Government is keenly conscious of the problems of ex-servicemen in the country. After all, almost 60 per cent of the personnel released from the Army are in the age group of 35 to 43. So, the task of resettlement and welfare of these ex-servicemen and their families becomes a natonal concern. The Central Government will continue to make all efforts within its means in this regard. And my hon. friend, Shri Vishwanath Pratap Singh is here. He had met many ex-servicemen's organisations and he had in the short span also given them a certain boost. So, all of us are concerned about these ex-servicemen and we realise that it would be good for the country to be able to use the energies, the discipline of these young people who cannot continue in the Army. But most of them go back to the States; they want to settle in their home States after retirement. And so, we necessarily have been seeking the co-operation of the States also to help in these efforts. Sir, somebody referred to the high level committee of Mr. K. P. Singh Deo which had gone into the problems of ex-servicemen. They made 68 recommendations. I think, Shri Kalmadi said that they made 60 recommendations. And he said 50 have been accepted. Actually 54 have been wholly or partly accepted and seven are under consideration and seven have not been accepted. Out of the seven not accepted, four are to be taken care of through existing schemes and institutions. So, you will see that the Government has acted, not only accepted but also acted on the recommendations of this Committee to the extent feasible. Then there is, as you know, reservation for ex-servicemen in Central Government and public sector undertakings. And this is one way to secure employment for them. Most States have also made reservations and this is where I think Shri Mishra made this particular point. And we pursuing vigorously the question of fuller utilisation of vacancies reserved for ex-servicemen in the Central Government and public sector undertakings. We have also taken up with the States the question of close monitoring and periodical review of utilisation of reserved vacancies. The percentage utilisation has gone up from about 37 per cent in 1983 to 49 per cent in the first half of 1986.

SHRI JAGESH DESAI: Why not hundred per cent?

SHRI K. C. PANT: It is going up. We are trying to bring it up, but it will take time. You know all these things take a certain time. But, I think, some progress has been made and we will pursue the matter.

Shri Jagesh Desai raised another issue. He talked of the Defence public sector units and the fact that there the number of ex-servicemen was not very large. It is true but then the reservations came after the public sector units were established. You cannot retospecly fill the reservd posts. This is the main reason for this. But now efforts are being made to fill the posts that have been reserved and I would like just to give him some figures because this is an important point that he made.

In Group C the percentage utilisation in 1982 was 42.7 per cent, in 1985 it was 78.8 per cent. And in Group D it has gone up from 37.8 per cent to 41.8 per cent, in the same two years.

I think one hon. Member, Shrimati Renuka Chowdhury, referred to compulsory military training. Now she made a speech which was based on some experience and therefore she deserves to be heard and I certainly heard her with very great attention. A revision of terms of engagement of sepoys is under examination, to retain those with technical or other required skills for a longer period and release others at an earlier date when they can settle in jobs and locations of their choice. There were the two aspects. One was the compulsory military training which has financial implications, which I do not want to go into now. But those financial implications have to be considered and if the Hon. Member is interested, I am prepared to sit with her and give her an idea about financial implications because one has to be realistic in these matters.

Then comes the question of employment and self-employment training schemes. For this purpose a number of schemes have been launched. Now, without taking the time of the House too much I would like to say that one scheme promotes organisations, co-operatives, corporations and so on and gives them some work, transportation of cement, fertilizers and other things. In other words, things which can be organised under the auspices of the Government or public sector undertakings. This is one kind of activity. The other scheme and an important scheme, a new scheme, is self-employment for ex-servicemen. This has been formulated with the help of the Industrial Development Bank of India and launched on 1st April, 1987. Now, this scheme contemplates a package of entrepreneurial training, technical assistanc seed capital, loans and term loans from State financial corporations, banks refinanced by IDBI. While I do not think I should take the time of the House in giving the details of the scheme but I would certainly like to tell you that there will be no collateral security for the term loans other than the assets of the project. The scheme will be implemented in a decentralised manner, and that the ex-servicemen here are a specific target group. So, I hope that this scheme will help.

Then there is the other area of concern for ex-servicemen and that is the concern for their pensions. Pension sanction procedures have been simplified and computerised. Over 80 per cent of the persons retiring now are receiving their pension payment orders in the month of retirement itself. The remaining will be given provisional pension at least and we will make efforts to see that the payment of final pension to them is also expedited.

श्री कैलाशपति मिश्र : श्रीमन्, मैंने जो सवाल उठाया था वह था वन रैंक वन पे, अर्थात् जो लोग पहले रिटायर कर गए हैं उनको कम पेंशन मिल रही है और जो आज उसी रैंक या उसके नीचे के रैंक से रिटायर हो रहे हैं उनको ज्यादा मिल रही है। तो जो लोग रिटायर कर गए हैं वे सफर न करें, इसके लिए आप क्या प्रबंध कर रहे हैं ?

SHRI K. C. PANT: Sir, I will come to that later on. I would like to mention here that another scheme was introduced on 1-1-87. Under this, where a pensioner decides to draw pension from a bank, the pension payment orders will be sent directly to the bank of the pensioner's choice. The bank will credit the pension on the first of the month and claim reimbursement from the Government later. I hope the House will welcome this.

Sir, the point has been made by Shri Mishra in regard to equal rank, equal pension. This point was considered by the Fourth Pay Commission. The Fourth Pay Commission has not found justification for equalisation of pension on a rank to rank or post to post basis irrespective of the date of retirement as it would mean application of the revised scales of pay or emoluments retrospectively. But hon. Members may be aware of the recommendation of the Pay Commission. This is the other aspect which the House should take into account. This is in regard to the minimum pension and minimum family pension. It was Rs. 300 per month. This has been improved upon by the Government and increased to Rs. 375 per month, with effect from 1-1-86. This will benefit...

SARDAR JAGJIT SINGH AURORA (Punjab): May I raise a point here? The accounts people tie themselves into knots and use it as an excuse for not giving these people a fair deal, specially when the service people really do not understand very much about accounting. What the question is rank for rank pension. It means that today if a subedar is getting a pension of Rs. 700, a subedar who retired thirty years ago should also get Rs. 700. I do realise that this scale was drawn up on what pay they were getting and, 50 per cent or 55 per cent of that comes to so much. Today what the present person is drawing he is also getting. Now, 50 the same per cent. But this is really not relevant because the cost of living today, whether a person retires today or he has retired thirty years ago, is the same for both the individuals. This is my first point. My second point is, I was talking to some ex-servicemen this morning. The point is, a JCO who might have retired some time ago. Today, is getting less than another rank would get. The JCO feels that for the services he rendered at that time, he should not be devalued to such an extent. Thank you. (*Interruptions*)

श्री कैलाशपति मिश्र : मैं एक इन्फरमेशन चाहता हूं . . .

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Mr. Mishra, we have to look to the clock also. Many other points will be left out if you go on interrupting like this.

श्री कैलाशपति मिश्र : सिर्फ एक इन्फरमेशन चाहता हूं कि जितने भी पे-कमीशन बैठे हैं उनके टर्म्स ऑफ रिफरेंस को देखें, पहला जो बेसेज रहता है उस पर पे बढ़ाने की व्यवस्था रहती है। उसके बाद अनामलीज क्रिएट होती हैं उन अनामलीज को दूर करने के लिए अनामलीज कमेटी काम करती है। यह बहुत बड़ा अनामली है तो इस अनामली को दूर करने के लिए आप क्या कर रहे हैं।

SHRI K. C. PANT: Sir, many Pay Commissions have been appointed since Independence. This is the Fourth Pay Commission. It is for the first time that the question of pension for ex-servicemen was referred to a Pay Commission. Therefore, there has been a departure from the past. This matter has been considered. Certain arguments have been adduced. Arguments have been adduced by the Pay Commission also. We will go into any point that is raised by hon. Members. I will look into those points again, but I have given you the present position and the present facts as they are.

Then, Sir, there was a question of self-reliance and self-sufficiency. Points of that kind were rightly raised by many Members. I want only to give a certain perspective to this question. Sir, we are all equally interested in it, but in a matter like defence where technology, sometimes, moves very fast, where the expenditure made on defence production, research and on other aspects, trial, development of weapons, etc., is enormous. In

some of the developed countries their voice to aim at self-sufficiency may be too ambitious. I think we should aim at self-reliance and we should aim at self-reliance particularly in the critical defence areas. That we should aim at and we should also keep in mind the fact that if we weaken the process of economic development or distributive justice, then also we weaken the defence of the country, defence of the country is not just armaments. It is economic growth, it is the stability of our polity. All these things together make up the defence of the country. So, a certain balance will have to be kept and we will have to kept our resources in view.

I think that for the time being some amount of import is necessary. There is no alternative to it, but we will have to always keep in mind the facts that the items which are critical to our defence are manufactured as far as possible in the country, that the vendors from whom we purchase are reliable and will not let us down at a critical period. This also we should keep in mind.

Sir, there can be no self-reliance without indigenisation. It has, therefore, been the constant endeavour of the production units to rapidly and progressively manufacture equipment, components and raw materials required for the production needs within the country.

Members would be happy to note that in the total value of production of the Ordnance Factories during 1985-86 the import content in terms of value was as low as 2.3 per cent as compared to 9.2 per cent in the year 1981-82. That is a fairly rapid pace of indigenisation.

There is close interaction between defence R&D and the production. Sri Arun Singh, my colleague, has already referred to many of the important weapon systems that we are developing and the inter-relationship between these two wings, but the level of indigenisation in the defence PSUs differs from product to product, from organisation to organisation, but it is up to hundred per cent in some cases.

Now, production efforts have gone up over the years and I do not want to remind the House what the position was at the time of Independence and what it is today. It is a part of the total industrialisation process, development of science technology and the particular thrust that has been given to defence production, since the days of Pandit Nehru. Even at that time in our calls for self-reliance and our non-alignment policy we refused to come under anybody's umbrella. Right from then on the need to develop defence production became a central pillar of our overall policy in defence matters. And it is for that reason that today there are 34 Ordnance factories and 8 public sector undertakings which are functioning in the defence sector and producing a wide variety of weapons and other products which are required by the armed forces. Without going into the details I would just give you one idea about the expenditure or the value of production. The gross value of production was 1165 crores in 1984-85 and is estimated to be Rs. 1500 crores in 1986-87. You will be glad to know that the average value of production per employee has also shown a consistent increase, that has improved productivity and capacity utilization. This was Rs. 38,562 in 1981-82 and it is Rs. 74,600 in 1985-86. This, I think, is commendable.

Sir, the defence public sector undertakings have made a sizeable contribution to the defence production effort. At the same time they also helped in developing the civil market. Now the defence public sector undertakings production has risen to Rs. 1810 crores in 1985-86 as against the Ordnance factories. I will come to that separately. The average value of production per employee in the case of defence public sector undertakings has increased from Rs. 1.57 lakhs in 1984-85 to Rs. 1.77 lakhs in 1986-87.

In the case of the production units also modernisation and upgradation of technology is necessary and without going into details I would like to assure the House

that we are not only modernising the production units but looking to the upgradation of the skills and training of the workforce in these units.

A question was raised, I think, by Shri Balaram and yesterday by Shri Jadhav, regarding off-loading of certain items from the ordnance factories to the civil sector industry. Now, Sir, this does not mean that the public sector will not continue to play a dominant role in defence production, that it will do, but some of the less sophisticated items, the low value-added items, these are being sent to the defence from the ordnance factories from the civil sector. This will give greater scope for high technology areas to be catered to by the Defence sector. I think this is a step in the right direction. If you would like to know the kind of products we are talking about, it is clothing and uniforms, mosquito nets, tents, ammunition carrying boxes, wooden crates and items like that.

One point I would like to mention and then pass on. That is, we are not going to retrench anybody as a result of this policy. There may be cases of re-deployment of some, but no retrenchment. Through the civil sector also, production has increased from Rs. 55 lakhs in 1965 to Rs. 277 crores in 1986-87. But I would like to say here that in Defence matters, we should be able to use the total industrial capacity of the country, the total strength of the country, and to do it in a manner that whenever there is danger, all of it can be put to use.

With regard to quality and standardisation, we are attending to these matters. But I am sure that the House would not like me to now spell out the details. It has been long enough. I have got various points here which have been raised by hon. Members but I think I will seek their indulgence in not replying to these points now individually because it would take a long time. I would like to assure only Shri Saikia from Assam who said that Assam is somehow forgotten. How can Assam be forgotten? Every one of us here sitting in this House is as much concerned about Assam as Mr. Saikia. I think I can easily speak for all sections of the House when I say this. And therefore this sense of alienation is totally unwarranted. We all feel greatly concerned and I would like to in fact remind some hon. Members—I think Shri Vajpayee was present in 1965 at a meeting which Shastriji convened of leaders of all political parties at the time of war or just before that. At that time one of the leaders from south India—he may remember the name but I will not mention the name here—said, "When a person is hurt in his little finger, then the entire body pains, and that is how I look upon India. If there is any intrusion into the border anywhere in India, then we in Tamil Nadu are going to feel the pain." And it is in that spirit that General Aurora also spoke the other day.

General Aurora said, "If we are going to strengthen our defences, we must have unity in the country." Without unity you cannot expect the armed forces to perform miracles. It is not their responsibility alone. It is our responsibility also. He spoke of a strong will and determination. That strong will and determination must pervade the whole country. We must all be dedicated to this task and not to do so would be to let down those brave and gallant men who are on our borders facing icy winds, facing the scorching sun of the desert, facing all kinds of problems and difficulties and who, even in peace time, are not free from danger. Let us remember that. Some airmen die every year in accidents. Let us remember, some die of bullets also at the borders. And we, sitting here, owe it to them at least to see that we create a climate in this country where unity is preserved, where a sense of patriotism and Indianness is created and everybody feels committed to preserving the freedom of this country and its sovereignty. This is the real way in which we can help the armed forces at the border.

With these words, Sir, I thank the honourable Members who participated in the debate. Thank you.

SHRI KAPIL VERMA: I want to seek one clarification. Whether the Government will take up....

THE VICE-CHAIRMAN (SHRI H HANUMANTHAPPA): We are encroaching on the time of the Private Members.

SHRI KAPIL VERMA: Will the Government take up with the US Government about its latest decision on AWACS because they are giving it to Pakistan free and on lease and it is going to be used against India. Will you take it up with the United States Government?

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): The House will now take up Private Members' Legislative Business.

THE CONSTITUTION (AMENDMENT) BILL, 1987

[*insertion of new Article* 19A]

SHRI CHITTA BASU (West Bengal: Sir, I beg to move for leave to introduce a Bill further to amend the Constitution of India.

The question was put and the motion was adopted.

SHRI CHITTA BASU: Sir, I introduce the Bill.

THE CONSTITUTION (AMENDMENT) BILL, 1987

[*to amend Article* 22]

SHRI CHITTA BASU (West Bengal): Sir, I beg to move for leave to introduce a Bill further to amend the Constitution of India.

The question was put and the motion was adopted.

SHRI CHITTA BASU: Sir, I introduce the Bill.

THE CONSTITUTION (AMENDMENT) BILL, 1987

[*to amend Articles* 200 *and* 201]

SHRI CHITTA BASU (West Bengal): Sir, I beg to move for leave to introduce a Bill further to amend the Constitution of India.

The question was put and the motion was adopted.

SHRI CHITTA BASU: Sir, I introduce the Bill.

THE CONSTITUTION (AMENDMENT) BILL, 1987

[*to amend Article* 134]

SHRI ATAL BIHARI VAJPAYEE (Madhya Pradesh): Sir, I beg to move for leave to introduce a Bill further to amend the Constitution of India.

The question was put and the motion was adopted.

SHRI ATAL BIHARI VAJPAYEE: Sir, I introduce the Bill.

THE PROHIBITION OF RELIGIOUS COMMUNAL AND SECTORAL POLITICAL PARTIES AND SENAS . BILL 1987

SHRI GURUDAS DAS GUPTA (West Bengal): Sir, I beg to move for leave to introduce a Bill to provide for prohibition of the formation of religious, communal and sectoral political parties and senas.

The question was put and the motion was adopted.

SHRI GURUDAS DAS GUPTA: Sir, I introduce the Bill.

THE CONSTITUTION (AMENDMENT) BILL, 1987

(*to amend Article* 311)—contd.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Further consideration of the Bill introduced by Dr. Bapu Kaldate. Shri Ramamurthy. Not present. Shri Chimanbhai Mehta.

SHRI CHIMANBHAI MEHTA (Gujarat): Mr. Vice-Chairman, Sir, I do not want to make any long speech on this issue because a very elaborate debate was undertaken in this House and several